

# M e m o r a n d u m

To: Panel Members Date: August 27, 2004

From: Diana Torres, Manager Analyst: C. Robinson

Subject: ONE-STEP AGREEMENT FOR **REPROGRAPHICS FAX GROUP DBA COPIER PRODUCTS GROUP**

## **CONTRACTOR:**

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Locating Into Or Expansion Within California  
Moving To A High Performance Workplace
- Type of Industry: Services
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - *Worldwide:* 33
  - *In California:* 33
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## **CONTRACT:**

- Program Costs: \$165,000
- Substantial Contribution: \$0
- Total ETP Funding: \$165,000
- Total In-kind Contribution: \$205,000
  - *Trainee Wages Paid During Training:* \$85,000
  - *Other Contributions:* \$120,000
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Orange County

## **INTRODUCTION:**

Founded in 1994, Reprographics Fax Group d.b.a. Copier Products Group (Reprographics) is a privately owned small business located in Santa Ana, California. The Company markets, sells, and services Xerox equipment as an authorized agent for the Xerox Corporation. Reprographics serves customers in Los Angeles and Orange Counties as well as locations in Arizona and Nevada. The Company employs 33 full-time employees in its Santa Ana facility; the site for the proposed ETP-funded training. The Company expansion plans include hiring 20 additional employees over the next 12 months, 17 of whom are included in the total requested for training (50).

Reprographics qualifies for standard ETP funding as a company facing out-of-state competition, under Title 22, California Code of Regulations, Section 4416(a)(3,4). Reprographics proposes to retrain 50 frontline workers in order to expand its California-based business and transition to a high performance workplace.

## **MEETING ETP GOALS AND OBJECTIVES:**

Reprographics proposes training that will further the following ETP goals and objectives:

- 1) Reprographics is working toward expanding its market position in other states and plan to add additional Company facilities in southern California. Therefore, this project meets ETP's legislative mandates to support the State's economic growth by funding projects for companies expanding within the state that provide high-wage employment.
- 2) The proposed training for Reprographics is designed to enhance the skills of its frontline workers in order to prepare them for employment in a high performance workplace. Therefore, the proposed training supports the ETP legislative funding priority to support companies moving to a high performance workplace.
- 3) Training is targeted to primarily frontline workers earning an average wage of \$19.91 per hour which, is above the ETP minimum wage for Orange County. Therefore, the proposed training will meet ETP's legislative mandate to invest in developing the skills of frontline workers and to foster job retention of high-wage, highly skilled jobs.

**TRAINING PLAN TABLE:**

<b>Grp/Trainee Type</b>	<b>Types Of Training</b>	<b>No. Retain</b>	<b>No. Class/Lab Videocnf. Hrs.</b>	<b>No. CBT Hrs.</b>	<b>Cost Per Trainee</b>	<b>Hourly Wage After 90 Days</b>
Job Number 1 Retrainee	MENU: Business Skills Computer Skills Continuous Improvement Skills Management Skills	50	60 - 186	0 - 8	\$3,300	\$13.00 - \$37.20
					<b><u>Prevalent Hourly Wage</u></b> \$19.91	
					<b><u>Average Cost Per Trainee</u></b> \$3,300	
<b><u>Health Benefits Used To Meet ETP Minimum Wage:</u></b> Although the employer pays health benefits for employees, the hourly contribution is not being used to meet the ETP minimum wage requirement for Orange County (\$12.17).					<b><u>Turnover Rate</u></b> 18%	<b><u>% Of Mgrs &amp; Supervisors To Be Trained:</u></b> 24%
<b><u>Other Employee Benefits:</u></b> In addition to health, dental and vision, Reprographics offers the following fringe benefits: paid annual vacation/holiday; sick leave; 401k; and profit sharing.						

**COMMENTS / ISSUES:**

***Frontline Workers/Managers/Supervisors***

Of the 50 trainees in the training plan, 38 will meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). The remaining 12 managers and supervisors constitute 24 percent of the total training population. Reprographics, a small business, in the process of expansion, plans that at least three of the potential 12 manager/supervisors to be trained will be promoted from the Company's existing frontline workers prior to the end of the 90-day retention period.

**COMMENTS / ISSUES: (continued)**

***Production During Training***

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

**PROPOSED ACTION:**

Staff recommends that the Panel approve this Agreement if funding is available and the project meets the Panel priorities.

**NARRATIVE:**

According to Company representatives, Reprographics, an authorized Xerox sales agency, has been recognized by Xerox for the past two years as the Number One Premier Agency in the United States. Reprographics markets, sells and services small to mid-size businesses in the Orange County, Los Angeles metro area, and customers located out-of-state. In 2002, Reprographics acquired another Xerox sales agency which expanded its geographical sales territories, causing an increase of its workforce from a total of 20 to 33 full-time employees at its Santa Ana, California, facility. Currently, the Company is developing opportunities to grow with additional acquisitions of geographical sales and has recently relocated into a larger facility in anticipation of adding at least twenty employees over the next few months. Future growth plans include adding an additional facility in downtown Los Angeles and expansion into other areas within California.

As a direct result of Reprographics' expansion goals, the Company will be promoting current employees into newly created positions of sales leads and supervisors/managers that will require additional responsibilities. The Company has never had middle management employees in the past and the selected employees lack the necessary skills to become effective leaders within the Company. Additionally, the Company will be hiring new employees who may lack updated sales skills and service experience needed to be effective in their assigned duties. The Company also needs to manage its business operations in an efficient manner to allow for the anticipated influx of additional customers.

According to the Company, Reprographics also plans on upgrading the skills of its current sales and service employees to sell and service a wider variety of products, never before offered by the Company. Old Xerox mechanical and electro-mechanical systems are being replaced with software-based systems and components. New Xerox products are more intricate and interconnected than in the past, with integrated servers, word-processing, and the latest fax technology and document preparation capabilities. Therefore, both existing and newly-hired employees will need to bring their skill levels up to incorporate the new equipment changes relating to software, installation, upgrading, maintenance and integration.

Based on growth and product changes, Reprographics' representatives state that new and current employees need to communicate effectively with customers, manage workload requirements and work together in a team environment to assist the Company in its expansion

**NARRATIVE: (continued)**

efforts. The proposed class/lab and computer-based (CBT) (Management Skills only) training will encompass skills to increase the level of product knowledge, improve interpersonal communication, and provide business skills for improved service. In the CBT portion of the training, trainees will learn material through computer associated media such as a CD-Rom. According to the Company, the proposed training will allow Reprographics to maintain its industry leadership and standards.

**Business Skills:**

The proposed curriculum in Business Skills includes advanced customer service, advanced sales and marketing, finance, product knowledge, planning/forecasting and project management training and is planned for all of Reprographics' employees. It is designed to improve Reprographics' overall method of operation, provide skills to attract new business, and manage customers more efficiently. Advanced sales and marketing skills are expected to enable sales staff to increase the customer base by better understanding the Company's new and more complex variety of products. The training will also impart skills in planning and implementing the various logistics of running and managing a business including preparing budgets, forecasting, inventory organization, quality control, and project management.

**Computer Skills:**

Computer Skills training includes software installation and product servicing of Xerox's latest fax technology to enable sales staff and technicians to sell, demonstrate, and operate effectively the new equipment for customers. Reprographics is also implementing new sales and goal tracking software to replace its current manual method of operation. Managers/Supervisors and sales staff will receive training on the new software to better identify, manage, and track new and existing Company accounts. These employees and administrative staff will also receive training in advanced office, business intelligence, and a new e-mail system. This training will allow them to communicate electronically in a more effective manner, better understand Company business practices and increase computer presentation skills to the professional level established by the Company.

**Continuous Improvement:**

The proposed training in Continuous Improvement Skills includes teambuilding techniques that will, according the Company, allow all of its employees to move toward a high performance workplace by building a cooperative and highly motivated team environment. Problem solving and decision making skills will enable them to use various techniques to solve problems which involve the balance between satisfying the customer and making a profit for Reprographics. Quality Improvement training will include improved work process methodologies to provide higher levels of customer and Company service efficiency. Communication Skills training will enable employees to communicate more effectively with fellow employees and a diverse group of customers. Advanced high quality customer service skills is geared for Company sales staff to listen more effectively to the customers and sell to them what they really need and ensure they are satisfied with the Company's products and service. It is anticipated that this training will encourage customer referrals and additional repeat business for upgrades to previously sold document systems.

**NARRATIVE: (continued)**

**Management Skills:**

Management Skills training will provide selected employees with the skills necessary to move into key leadership positions within Reprographics. Supervisory/management employees would receive leadership skills that will focus solely on mentoring, motivation, and coaching to provide the Company's new middle management team with the tools to move Reprographics toward its expansion plans and movement toward becoming a high performance work place.

***Supplemental Nature of Training***

State law requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

Reprographics has never had a formal training program to provide training in a structured manner to its employees. To date, the Company's training has been restricted to job-related skill training, new employee orientation, basic product training, basic direct sales skills training, basic equipment usage, and efficient time utilization. Most of the training has been provided in up front "bursts" and on the job and was sufficient for the Company prior to its last expansion effort in 2002. Expenditures for Company-funded employee training over the last year (2003) were approximately \$182,000. The Company also plans on funding and continuing at its own expense, the aforementioned training and basic supervisor/management skills training not previously delivered that includes, but is not limited to, such topics as hiring, firing and appraisal techniques.

Company representatives state that the proposed training is different from that provided in the past. The proposed curriculum focuses on new, highly sophisticated Xerox product training, advanced sales, organized business operations, marketing and customer service techniques, and supervisor/management skills to mentor Company employees in its goals to expand and become a high performance workplace.

**SUBCONTRACTORS:**

Ocean Consulting Group located in Murrieta, California - \$75,000 for all Class//lab training.  
Ocean Consulting Group - \$12,000 for all project administration.

**THIRD PARTY SERVICES:**

Ocean Consulting assisted with the application and helped prepare the training plan, curriculum, and the retraining certification. The amount reimbursed for these services was based on a flat fee of \$7,500.

## **REPROGRAPHICS FAX GROUP DBA COPIER PRODUCTS GROUP**

### **Menu Curriculum**

HOURS  
Class/Lab  
60-186

Trainees will be provided any of the following types of training:

#### **BUSINESS SKILLS**

- Advanced High Quality Customer Service
- Advanced Sales & Marketing Skills
- Time and Project Management
- Product development and Servicing
- Forecasting, Planning and Budgeting

#### **COMPUTER SKILLS**

- Microsoft Office
  - Beginning and Intermediate Access
  - Beginning and Intermediate Act
  - Power Point
  - Beginning, Intermediate and Advanced Excel
  - Beginning, Intermediate and Advanced Outlook
  - Beginning and Intermediate Word 2000
- Customer Relations Management Software
- Automatic Sales and Service Tracking Software
- New Xerox Product Software

#### **CONTINUOUS IMPROVEMENT**

- Teambuilding
- Problem Solving and Decision Making
- Quality Improvement Techniques
- Interpersonal Communication Skills

#### **MANAGEMENT SKILLS (FOR MANAGERS/SUPERVISORS ONLY)**

- Leadership
- Coaching
- Decision Making
- Motivation

**REPROGRAPHICS FAX GROUP DBA COPIER PRODUCTS GROUP**  
**Menu Curriculum (Continued)**

HOURS  
CBT Training  
0 - 8

**MANAGEMENT SKILLS (FOR MANAGERS/SUPERVISORS ONLY)**

- Lead and Develop Staff
- Motivate and Recognize Employees